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C O N F I D E N T I A L PANAMA 001840

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E.O. 12958: DECL: 12/06/2017

TAGS: PGOV PM

SUBJECT: PANAMA: PATRIOTIC UNION VP BACKS MARTINELLI

REF: PANAMA 1824

Classified By: POLCOUNS Brian R. Naranjo. Reasons: 1.4 (d).

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Summary  
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¶1. (C) "I think the opposition needs to start unifying behind Martinelli," Patriotic Union (UP) VP Anibal Galindo told POLCOUNS on December 6, confirming rumors that Galindo was coordinating his political activities with Martinelli. "One has to respect the hard work that (Democratic Change (CD) party President and presidential candidate) Ricardo Martinelli has done to sustain his high level of support and to oppose the Torrijos Administration." Galindo asserted that the idea of holding an inter-party primary among opposition parties was dead as it was generally believed that such a primary would weaken, not strengthen the opposition. Ultimately, taking advantage of Panamanians' propensity to bandwagon politically, the opposition would negotiate the formation of a broad coalition, Galindo said. In response to Galindo's remark that the U.S. Embassy would need to talk former President Mireya Moscoso into supporting an opposition coalition that was not led by the Panamenista party, POLCOUNS told Galindo that the U.S. would not play such a role. End Summary

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Martinelli is the Opposition's Best Shot  
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¶2. (C) "Martinelli is the best option that the opposition has," Galindo said. The opposition should recognize the broad base of support that Martinelli has sustained over the past year and a half. "Martinelli has defied predictions that his poll numbers would fall, yet he sustains up to forty percent approval in some polls." Asked how an outsider was to understand the Patriotic Union (UP) party's direction given UP VP Jose Raul Mulino's active public support of Panamenista Party candidate Alberto Vallarino, Galindo's increasingly public support for Martinelli, and UP President Guillermo "Billy" Ford's announcement of his presidential candidacy, Galindo said that there was an on-going internal debate inside UP on the way ahead.

¶3. (C) Ford, with the agreement of Mulino, Galindo, and other key UP leaders, announced his presidential candidacy with the intention of elevating this newly formed party's public profile. Galindo conceded that some portion of Ford truly aspired to be President, but added that Ford wanted the broader opposition panorama to evolve around him so that he could emerge as a unifying leader, much the same way he

secured the Presidency of UP. "If the opportunity presents itself and Billy's candidacy takes off, great. All the more power to him. But this is unlikely, and Billy won't hinder opposition efforts to back a stronger candidate who can win," Galindo asserted.

¶4. (C) Mulino has long-standing business ties with Vallarino; "He's done a lot of legal work for Vallarino," Galindo explained. He asserted that Mulino had not had much success in convincing UP members to follow him in support of Vallarino. "Vallarino jerked us around when he was trying to decide which party to join. He came to us and told us he wanted to sign up with Patriotic Union. We were even trying to decided on which day Vallarino would do it. Vallarino was even calling us back to tell us which days were bad because he would be traveling out of the country. Then all of a sudden the calls stopped. Next thing we know, Vallarino is publicly re-enlisting with the Panamenista Party," Galindo recounted. "That hurt a lot of feelings and sowed mistrust."

Galindo then went into the frequently heard belief that Vallarino was not "committed" to running for president. "Why should we back a man who might not want to be president?"

¶5. (C) "I'm looking to maximize the Patriotic Union's political investments," Galindo said. UP could try to launch its own candidate, but realistically would only garner four or five percent in the elections. Join up with a strong candidate like Martinelli though, and for the same amount of money and political capital invested, Galindo said, and UP could be part of government. Galindo, who acknowledged that Martinelli had asked him to be his vice presidential nominee, said that UP would develop four to five "well-defined and focused proposals" that UP would ask prospective coalition partners to endorse. (Note: Martinelli campaign advisor Jimmy Papademetriou told POLCOUNS that Galindo was working closely with Martinelli advisors to shape such proposals (RETEL).)

¶6. (C) The unification of the Solidarity and Liberal parties to form UP was intended to create a new force in Panamanian politics. "This was my idea, and my intent was to create a new kind of politics." Martinelli has succeeded in positioning himself as a new kind of politician who was prepared to do away with politics as usual. "It's only natural that Patriotic Union should seek an alliance with Martinelli. The traditional parties in the longer-term should fear what Martinelli is trying to do." In the end, UP would end up reaching agreement on who to back. Galindo added that UP's "small committee" of leading UP luminaries would be meeting on December 10 to continue discussions on UP's way ahead.

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Inter-party Primary Dead; Will Negotiation Coalition  
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¶7. (C) "Nobody talks about the inter-party primary any more," Galindo said. "That idea is dead." Panamanians wanted to support a winner, not be labeled losers. In an inter-party primary, Galindo explained, "The losers would not overcome their egos and support the winner of an inter-party primary. Instead, they'd go off and sulk." An inter-party primary, following each party's own primaries, would only deplete the opposition parties' treasuries, wear out their political activists, and leave behind too many bruised egos. Negotiate an alliance, Galindo said, and you can mobilize Panamanians' "desire to bandwagon" behind a winner, "Martinelli." If Martinelli could continue to build up momentum he could secure the support of UP and the Movement of Liberal Republic Nationalists (MOLIRENA) and even of the Panamenista Party. "A Martinelli-Varela alliance would be very formidable."

¶8. (C) Former President Guillermo Endara would go nowhere without Panamenista support, and his Moral Vanguard of the Nation (VMP) party was merely a vehicle to make money. According to Galindo, "Endara saw that the Solidarity Party received USD 80,000 after it ran Endara as its candidate in 2004. Endara wants his cut of that money. When Solidarity

wouldn't give it to him, Endara set up his own party."

19. (C) Former President Mireya Moscoso was the driving force behind Vallarino. Moscoso would never accept second billing for the Panamenista Party on the opposition ticket. Galindo said, "We may need the U.S. Embassy to talk Moscoso down and explain to her the need for the Panamenistas to settle for a vice presidency or less on the opposition ticket." POLCOUNS explained to Galindo that the Embassy would not play such a role. Nonetheless, Galindo said he believed that the "inevitability" of Martinelli would compel other parties to form up behind him.

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Comment  
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110. (C) Three people have been mentioned as vice presidential running mates for Martinelli. Martinelli previously told POLCOUNS that he had offered a vice presidential slot to Panamenista Party President Juan Carlos Varela. CD VP Roberto Henriquez told POLCOUNS that Martinelli had offered him the opportunity to be vice presidential running mate. Now Galindo is asserting the same. Eventually, Martinelli -- who will definitely run for president -- will need to show his hand and pick a running mate. While Galindo has clearly bought into Martinelli's vision for building an opposition coalition, it is not entirely clear that Galindo can deliver the goods that Martinelli will need. UP has been hemorrhaging members in recent months, Ford may not have entirely signed on to announcing his presidential candidacy only to fold his tents later to form a coalition, and Mulino is reportedly not entirely happy with his new home in UP. A weakened and divided party may not be the force multiplier that Martinelli is seeking. That said, Galindo's comments offer interesting insights into a campaign season that will open in earnest in January.

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